

CITY OF ROCHESTER, MINNESOTA

TABLE IX

COMPUTATION OF DIRECT AND INDIRECT GENERAL OBLIGATION BONDED DEBT
AND LEGAL DEBT MARGIN

December 31, 1997

Direct Debt:

	<u>Gross Debt (1)</u>	<u>Less: Debt Service Funds</u>	<u>Net Direct Debt</u>
General Obligation Debt:			
Supported by Taxes and/or Assessments	\$1,375,000	\$6,071,608	(\$4,696,608)
Supported by Tax Increments	<u>10,598,080</u>	<u>234,375</u>	<u>10,363,705</u>
Total	<u>\$11,973,080</u>	<u>\$6,305,983</u>	<u>\$5,667,097</u>

(1) From Table VIII

Indirect Debt:

<u>Governmental Unit</u>	<u>1997/98 Net Tax Capacity</u>	<u>Net G.O. Debt Outstanding</u>	<u>Debt Applicable to Value in City</u>	
			<u>Percent</u>	<u>Amount</u>
Olmsted County	\$74,121,566	\$2,432,542	73.98%	\$1,799,595
I.S.D. #535	64,535,233	45,249,549	84.97	<u>38,448,542</u>
Total City Portion				<u>\$40,248,137</u>

General Obligation Net Direct Debt and Indirect Debt:

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Portion Chargeable to City</u>	
		<u>Percent</u>	<u>Amount</u>
City of Rochester	\$5,667,097	100.00%	\$5,667,097
Olmsted County	2,432,542	73.98	1,799,595
I.S.D. #535	45,249,549	84.97	<u>38,448,542</u>
Total General Obligation Direct and Indirect Debt			<u>\$45,915,234</u>

The legal debt limit for municipalities in Minnesota is 2% of the market value of taxable property. This limit applies only to the City's general obligation tax levy bonds and excludes improvement, revenue and tax increment supported bonds. The City has no General Obligation debt chargeable against this debt limit at December 31, 1997. The legal debt limit and the legal debt margin are the same...computed as follows...\$2,937,577,692 x 2% = \$58,751,554.